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# BILL KRAMER

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STATE REPRESENTATIVE • 97<sup>TH</sup> ASSEMBLY DISTRICT

***Testimony of Representative Bill Kramer on AB 196  
Assembly Committee on State Affairs and Homeland Security  
December 3, 2009***

Chairman Kessler, Members of the Committee:

We often speak of smarter government. For me, a smarter government is one that appropriately stewards the taxpayers' money. All-too-often, as I'm sure you'll agree, we hear stories in the news, at the market, or at the restaurant, of government waste.

\$600 dollar hammers. \$200 toilet seats. While a \$600 hammer may be able to pound a nail better than a standard hammer from the local Ace Hardware, and a \$200 toilet seat may be comfortable beyond our wildest imaginations, certainly, the \$15 hammer and the \$20 toilet seat would and should suffice for even the most discerning users.

But it isn't just in Washington where waste occurs.

It's built into the very budgets that pass in this legislature. While we may think it isn't in there, that the state budget isn't filled with unnecessary items, I assure you, that our constituents probably don't believe us.

And why should they?

Recently, questions have arisen about the millions of dollars have been spent on so-called stimulus projects that are apparently difficult to track. With record amounts of tax dollars being circulated through government, it behooves us to know where this money is going and to disclose it to the public.

While the news of wasted money or ill-tracked expenditures may appear to be insignificant against the multi-billion dollar budget of the state, they nonetheless frustrate the people who pay the bills.

The taxpayers and good citizens of Wisconsin should know exactly how we spend their money. And in 2009, it should not be a convoluted process of contacting a legislator who in turn contacts the Legislative Fiscal Bureau who in turn contacts the Department of Administration who contacts a bureaucrat in Merrill who calls the local warden who then calls the bureaucrat back who then calls the DOA back who then calls the Legislative Fiscal Bureau back who then calls the legislator who then writes a pretty letter and mails it to the constituent from Merrill – probably all to find out how much money was spent on the most recent environmental study for the creek running through some farmer's backyard.

That should – in the 21<sup>st</sup> Century – be a mouse click away. Don't get me wrong; I'm happy to provide constituents with that kind of service. After all, they pay us to do that.

But shouldn't we strive to make government more transparent? And that is what this bill does.

Just the summary of the biennial budget was almost 600 pages long.

But even then, it doesn't give us nearly the complete picture that the taxpayers deserve – or should expect.

What the budget won't tell us is how much on office supplies is spent. What the budget won't tell us is who will get what grant or be awarded what multi-million dollar contract.

Heck, even this bill may very well be contracted out and the taxpayers should know how much state government spends even when trying to disclose state expenditures.

To be perfectly honest, it isn't our money to spend. It is not the public's responsibility to monitor how we spend their money – it is OUR responsibility to show that we are spending it wisely. Taxpayers should not have to make the case why we are spending it imprudently; rather, we should be showing them that we aren't. And this website/database will go a long way in doing so.

Granted, much of the goal of this idea is to ferret out waste in government. To be certain, it probably won't be difficult to identify the alleged waste. But certainly couldn't the website serve as a means to show the spending priorities of state government? Because I believe that the state does expend resources on very worthwhile programs – and they deserve to be known just as the waste in government does.

A tool like this only serves to help constituents and legislators to better shepherd tax dollars. It provides a roadmap so that we can better allocate the resources that the taxpayers have entrusted to us. This proposal is neither vindictive nor vindicative. People will – and should – be able to draw their own conclusions from the website/database and advocate for change accordingly.

I will be happy to answer any questions you may have.



*(This person did not testify)*

Washington, DC, November 5, 2009

**Testimony in support of Assembly Bill 196,  
the State Expenditure Transparency Modernization Act**

*submitted to  
the Committee on State Affairs and Homeland Security  
by Sandra Fabry, executive director, Center for Fiscal Accountability*

Chairman Kessler and Fellow Members of the Committee:

**On behalf of the Center for Fiscal Accountability, I appreciate the opportunity to submit testimony in support of Assembly Bill 196,** the State Expenditure Transparency Modernization Act sponsored by Representatives Kramer, Vukmir, Zipperer, Davis, Vos, LeMahieu, Kleefisch and Lothian; and cosponsored by Senators Hopper, Darling and Leibham.

Assembly Bill 196 mandates the online posting of comprehensive expenditure information, including information on all state agency expenditures for state operations exceeding \$25, information on state agency grants and contracts, and all school district expenditures for operations exceeding \$25 via a searchable Internet website maintained by the Department of Administration.

Since the passage of the Federal Funding Accountability and Transparency Act of 2006 which resulted in the creation of [www.USASpending.gov](http://www.USASpending.gov), the Center for Fiscal Accountability has been working with policymakers and activists around the country to pass legislation and get executive orders signed that emulate and ideally go beyond the federal legislation.

Since the beginning of 2007, 28 laws mandating the creation of searchable online database websites for government expenditures or the improvement of such sites have been passed, and several governors have taken executive steps to the same effect. Twenty-four of these websites mandated by legislative or executive action have already gone live, and provide taxpayers with an opportunity to track their tax dollars at a mouse-click. In addition, several state constitutional officers have also taken steps to increase accountability through transparency.

**This spending transparency effort is consistent with the Founding Fathers' notion of accountable government:** It was Thomas Jefferson, who once said: "*We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently to control them.*"

While we appreciate previous steps taken to enhance transparency, such as the creation of "Contract Sunshine," these existing resources currently fall short.

Making more comprehensive spending information accessible to Wisconsin taxpayers as sought by Assembly Bill 196 would provide them with a tool to access, search and easily find relevant spending information, and foster a better understanding of the ways in which government operates.

Ultimately, passage of the bill would help reduce the potential for fraud, waste and abuse. Opacity in the way government spends tax dollars often leaves taxpayers frustrated, and can create the perception of possible abuse of the system.

**More public scrutiny will help eliminate impropriety in dealing with taxpayer dollars – be it perceived or real impropriety – but it can also help realize efficiencies and savings.**

Using information from her spending transparency portal, Texas State Comptroller Susan Combs has identified \$8.7 million in savings already, \$4.8 million of which have already been realized. Examples of savings range from the consolidation of various toner contracts into one to removing duplicative print costs. Comptroller Combs herself consistently points out the benefits of transparency not only for taxpayers, but also for the agencies:

*“But besides the public having access to information, we discovered our emphasis on transparency had internal benefits in that it made our own operations transparent to us. This provided access to such detailed, centralized and easily navigable information about our budget and expenditures, which allowed us to identify redundancies, inefficiencies and other areas for improvement with a clarity that was simply not possible before.”<sup>1</sup>*

South Carolina State Comptroller General Richard Eckstrom expressed similar appreciation for the efficiency his transparency portal has produced, citing a massive decrease in Freedom of Information Act requests to his office. This is just one of the ways in which the website has helped the agency save time and money.

Because it goes back to one of the most fundamental principles – accountability – this movement has broad bipartisan support. **This is not a right-left issue, it is a right-wrong issue.** There may not be agreement on how the money should be spent, but there is agreement that taxpayers should be able to scrutinize government expenditures. **In today’s digital age, there is no justification for keeping taxpayers in the dark as to how their tax dollars are being spent.**

**The founding fathers had the vision, and today, we have the tools at our disposal to make that vision a reality – at little cost to taxpayers:**

- The Missouri Accountability Portal, an expenditure website created via executive order by then-Gov. Matt Blunt, was created without the appropriation of a single additional tax dollar. The same applies for the “Window on State Government” in Texas, created by the State Comptroller Susan Combs.
- The Oklahoma website, which can be accessed at [www.openbooks.ok.gov](http://www.openbooks.ok.gov), initially carried a price tag of \$300,000. In the end the implementing agency reported that the website cost only \$8,000, plus expended staff time.

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<sup>1</sup>Texas Comptroller Susan Combs, “Open Book Texas” Press Conference, LBJ State Office Building, Austin, Texas, Wednesday, Dec. 3, 2008, <http://www.window.state.tx.us/newsinfo/speeches/081203-OpenBook.html>.

- A survey of existing spending transparency websites and their creation conducted by the Mercatus Center at George Mason University found that the average cost of state spending transparency websites lies at around \$140,000:

*What we find is that although the quality of these sites varies, the average actual cost for developing a spending-transparency Web site is about \$140,000. The most expensive site we looked at is Texas's at \$310,000. Additionally, the states often overestimate the cost of creating spending-transparency Web sites. In no case has a site cost millions of dollars as some budget estimates have suggested.<sup>2</sup>*

- Even the federal grant and contract website which was unveiled in December and is accessible at [www.USASpending.gov](http://www.USASpending.gov) was put together at a price tag of less than \$1 million - and that covers grants and contracts of the entire federal government. The software that was used to create the federal site is available at no cost to any interested party through the organization OMB Watch.

**With this bill, Wisconsin has the opportunity to empower taxpayers to become true fiscal watchdogs, and to ensure that this opportunity will be available to taxpayers regardless of the political environment.** Consequently, the Center for Fiscal Accountability urges you to support Assembly Bill 196. I appreciate the opportunity to submit testimony in support of the bill and look forward to working with you to enhance transparency and accountability in Wisconsin government finances.

Sincerely,

  
Sandra Fabry

[www.fiscalaccountability.org](http://www.fiscalaccountability.org)

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*A Special Project of Americans for Tax Reform*

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<sup>2</sup> Gabriel Okolski, Jerry Brito, Mercatus on Policy, No. 40, April 2009, The Cost of State Online Spending-Transparency Initiatives, [http://www.mercatus.org/uploadedFiles/Mercatus/Publications/MOP40\\_GAP\\_Transparency\\_web.pdf](http://www.mercatus.org/uploadedFiles/Mercatus/Publications/MOP40_GAP_Transparency_web.pdf).